Introduction

In accordance with the resolution adopted by the Committee on Transportation and Infrastructure of the U.S. House of Representatives, dated May 20, 2015, the General Services Administration (GSA) investigated the feasibility and need to construct, lease, or acquire a facility to serve as a United States Courthouse and Federal Building in Fort Lauderdale, Florida. The alternatives studied will meet the projected 10-year space needs of the Court and can be adapted to accommodate the projected 30-year space needs of the Court.

Community Profile

Encompassing more than 33 square miles, the City of Fort Lauderdale is the largest of Broward County's 31 municipalities and the eighth largest city in Florida.

The City of Fort Lauderdale is situated on the southeast coast of Florida, in the east-central portion of Broward County, approximately 23 miles north of Miami and 42 miles south of Palm Beach. The City shares boundaries with nine other municipalities, as well as unincorporated areas of Broward County. In recent years, Broward County's (metropolitan Fort Lauderdale) population has increased by 6.9% from 2010 through 2014.

Current Housing Situation

Designed by Jacksonville, Florida, architect William Morgan, GSA built the Fort Lauderdale Courthouse and Federal Building (Courthouse) in 1979. The facility consists of 262,517 gross square feet of space. The Courthouse is located in downtown Fort Lauderdale at 299 East Broward Boulevard. It is situated on a 2-acre parcel of land which currently abuts an adjacent property owned by a private developer featuring various low-rise commercial buildings.


The existing Courthouse suffers from significant space functionality issues as well as building infrastructure issues. These issues are outlined below:
Space Functionality Issues:
Space functionality issues include, lack of distinct separation between restricted (judges and staff), secured (prisoner movement), and public circulation; inadequate screening station processing and queuing space at main entrance; full accessibility per the Architectural Barriers Act Accessibility Standard (ABAAS); lack of USMS Holding Cell and Prisoner movement space adjacent to every courtroom.

Building Infrastructure Issues:
Existing infrastructure challenges include failing waterproofing, storm drain, and flashing systems, allowing water to enter tenant spaces. A roof project was completed in 2015 that corrected many of the water intrusion issues, and a project to correct the storm drain is planned for award in fiscal year 2016. However, a project to correct the water intrusion issues resulting from planters on the plaza level is still being evaluated for funding. Other building infrastructure issues include an inoperative tiered water feature at the front of the building with visible concrete damage; lack of code compliant exterior window assemblies meeting current Miami Dade windborne debris and high velocity wind zone requirements which went into effect in 2015.

The existing Courthouse is not currently listed on the National Register of Historic Places, yet it is considered a significant Modern Era Building by the Florida State Historic Preservation Office (SHPO). When the building reaches 50 years of age in 2028, it will be eligible for listing on the National Register of Historic Places.

Future Space Requirements
The Court currently occupies 88,595 usable square feet of the 141,809 usable square feet of space available in the existing Courthouse. The U.S. District Court for the Southern District of Florida submitted an Any Court model dated March 31, 2015, which was approved by the Eleventh Circuit Judicial Council, identifying a new housing requirement of 134,030 usable square feet of space. Although new housing requirements have been identified, the judiciary’s current Courthouse Project Priorities list (issued September 17, 2015) does not include a courthouse project in Fort Lauderdale, Florida.
The projected 10-year requirements are as follows:

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*Currently located in leased space

**ALTERNATIVES**

Seven alternatives are being considered to meet the space needs of the U.S. District Court for the Southern District of Florida in Fort Lauderdale, FL. Alternatives include: (1) Repair and Alterations with a New Annex; (2) New Construction; (3) Lease; (4) Lease with an Option to Purchase; (5) Purchase; (6) Exchange; and (7) Public Private Partnership.

**REPAIR AND ALTERATIONS WITH NEW ANNEX**

This alternative utilizes the adjacent vacant parcel (1.24 acres), not yet owned by the Government, to construct a new annex, along with fully renovating the existing Courthouse. The new annex will house all of the Court’s 10-year space program requirements, as well as the associated spaces, with the exception of the U.S. District Court Clerk, U.S. Bankruptcy Clerk, and two Bankruptcy courtrooms, which will remain in the existing Courthouse.
In combination with the renovated existing Courthouse, the new annex will address the following:

**Space Functionality:**
The facility will accommodate seven District courtrooms, three Magistrate courtrooms, two Bankruptcy courtrooms, nine District chambers, four Magistrate chambers, two Bankruptcy chambers, one Court of Appeals chambers, grand jury suites and Probation, as well as the support space needed for the judiciary.

The facility will be designed with the required security design, structural upgrades, physical security, or electronic security to bring the facility to a Security Level IV as per Interagency Security Council (ISC) criteria.

The USMS administrative, sally port, and main cellblock are proposed to be located in the new annex. There will be one central security checkpoint proposed at a connector between the new annex and existing Courthouse. Because the annex will house all the Court space program functions, except those noted above, most of the second, third, and fourth floors of the existing Courthouse will be available for other Federal agencies that are currently housed in leased space in the Fort Lauderdale area.

**Building Infrastructure:**
The new annex will comply with ISC requirements, and will be connected to the existing Courthouse at each level to ensure seamless circulation between the two spaces.

A new judges’ underground parking level with 20 spaces is proposed underneath the annex, with a connection to allow for vehicular access into the existing garage. This new parking level is also proposed to have its own secure, vehicular entrance.

This alternative is best accomplished through a two-phased construction approach, avoiding the cost of external swing space outside the complex. This two-phase construction approach would entail a longer total construction duration, but it would allow for the building occupants to remain “on campus” in secure space, rather than having to move off site into temporary, non-Federal space. The existing Courthouse will remain in its current condition with its current security in place until the annex is complete at which time the renovation of the existing Courthouse would be initiated.
**R&A of existing Courthouse Project Budget**

Design ......................................................... $7,246,000  
Management and Inspection (M&I)............................... $9,725,000  
Estimated Construction Cost ($270/gross square foot) .......... $121,565,000  
**Total Estimated Project Cost - R&A** .......................... $138,536,000

**Annex New Construction Project Summary/Budget**

Site Information .................................................. 1.24 acres

**Building Area**

Gross square feet (excluding inside parking) .................. 196,604  
Gross square feet (including inside parking) .................. 205,604

**Project Budget**

Site Acquisition ................................................... $2,558,000  
Design .......................................................... $10,870,000  
Management and Inspection (M&I) .............................. $7,577,000  
Estimated Construction Cost ($680/gross square foot) ........ $139,723,000  
**Total Estimated Project Cost - Annex** ........................ $160,728,000

**Facility (Existing Courthouse and New Annex) Project Summary/Budget**

Site Information .................................................. 3.34 acres

**Building Area**

Gross square feet (excluding inside parking) .................. 391,628  
Gross square feet (including inside parking) .................. 468,119

**Project Budget**

Site Acquisition ................................................... $2,558,000  
Design .......................................................... $18,116,000  
Management and Inspection (M&I) .............................. $17,302,000  
Estimated Construction Cost ($558/gross square foot) ........ $261,379,000  
**Total Estimated Project Cost – R&A and Annex** .............. $299,264,000
NEW CONSTRUCTION

A review of the current market identified no available sites within the downtown area that can accommodate the new construction of a new stand-alone courthouse that will meet the size and parking requirements of the Courts. If GSA and the Court were to consider moving outside of the downtown/Central Business District (CBD), there may be potential sites suitable for Federal construction. However, multiple Executive orders and Federal regulations, such as Executive Orders 13006 and 12072, require Federal construction be located in the CBD when feasible, and it is GSA’s and the Courts’ preference to locate Federal courthouses in downtown districts. If new construction is the Government’s selected alternative, GSA will conduct a formal site acquisition process to help identify a viable site in the CBD. While further evaluation will be needed to determine the size and cost of the site, new construction will meet the needs of the Court, including size, parking, security, and building and local codes.

If new construction is the selected alternative at the time when the judiciary’s Courthouse Project Priorities list includes a courthouse project in Ft. Lauderdale, FL, GSA will thoroughly assess the viability of retaining and renovating the existing Courthouse for continued use by Federal agencies. If it is determined that retention of the existing Courthouse is not cost-effective, the existing Courthouse will be removed from the Federal inventory. If the existing Courthouse is removed from the Federal inventory, agencies not housed in the new courthouse will be relocated to leased space, at an estimated annual rent increase of approximately $672,000 per year, fluctuating over time as market conditions change.

**New Courthouse Construction Project Summary/Budget**

| Site Information | .......................................................... | 3-5 acres |
| Building Area    | .......................................................... | 229,993   |
| Gross square feet (excluding inside parking) | .......................................................... | 229,993   |
| Gross square feet (including inside parking)   | .......................................................... | 238,993   |
| Project Budget   | .......................................................... | $8,250,672 |
| Site Acquisition | .......................................................... | $12,152,000 |
| Design          | .......................................................... | $8,697,000 |
| Estimated Construction Cost ($674/gross square foot) | .......................................................... | $161,021,000 |
| Total Estimated Project Cost – New Courthouse | .......................................................... | $190,120,672 |
PURCHASE

Based on preliminary review, there are currently no existing buildings in the downtown/CBD of Fort Lauderdale that will meet the size, security, and parking requirements of the Court.

If this option is further considered, an in-depth evaluation of the market will be conducted, including surveying the market to gauge the availability of buildings and/or sites that can meet the needs of the Court.

LEASE

GSA conducted a review and there are currently no existing buildings in the downtown/CBD of Fort Lauderdale that will meet the size, security, and parking requirements of the Court. Additionally, currently, no sites within the downtown area that could accommodate new construction and that will meet the size and parking requirements of the Court have been identified. If this option is further considered in the future, an in-depth evaluation of the market will be conducted, including surveying the market to gauge the availability of buildings and/or sites that can meet the needs of the Court.

A lease transaction raises significant scoring concerns. Leasing transactions are subject to OMB Circular A-11, which guides the determination of operating versus capital leases. Per OMB Circular A-11 criteria, a leased courthouse is highly likely to be classified as a capital lease. A Federal courthouse is a unique asset, built to the Government's specification. In the case of the Southern District of Florida, the U.S. District Courthouse has also been identified as a long term need. A capital lease would require GSA to have sufficient budget authority to fund the present value of net lease payments over the entire lease term, including taxes, in the first year, making the budgetary impact of this alternative very similar to that of new Federal construction. GSA currently does not have sufficient budget authority to cover this payment and meet its other contractual obligations in one year.

LEASE W/OPTION TO PURCHASE

GSA conducted a review and there are currently no existing buildings in the downtown/CBD of Fort Lauderdale that will meet the size and parking requirements of the Court. Additionally, currently, no sites within the downtown area that could accommodate new construction and that will meet the size and parking requirements of the Court have been identified. If this option is further considered in the future, an in-depth evaluation of the market will be conducted, including surveying the market to gauge the availability of buildings and/or sites that can meet the needs of the Court.
A lease with purchase transaction raises significant scoring concerns. Leasing transactions are subject to OMB Circular A-11, which guides the determination of operating versus capital leases. Per OMB Circular A-11 criteria, a leased courthouse is highly likely to be classified as a capital lease. A Federal courthouse is a unique asset, built to the Government’s specification. In the case of the Southern District of Florida, the U.S. District Courthouse has also been identified as a long term need. A capital lease would require GSA to have sufficient budget authority to fund the present value of net lease payments over the entire lease term, including taxes, in the first year, making the budgetary impact of this alternative very similar to that of new Federal construction. GSA currently does not have sufficient budget authority to cover this payment and meet its other contractual obligations in one year.

EXCHANGE

Based on current market data, there are no existing buildings in the downtown/CBD of Fort Lauderdale that can be exchanged with the City of Fort Lauderdale that will meet the size and parking requirements of the Court. Additionally, exchanging the existing Courthouse for a long-term housing solution with a private sector exchange partner is not a financially viable transaction structure, since the cost of a long-term solution significantly exceeds the value of the existing Courthouse.

PUBLIC PRIVATE PARTNERSHIP (PPP)

At the request of the Fort Lauderdale Downtown Development Authority on behalf of the local Federal Courthouse Task Force, KPMG Corporate Finance LLC helped facilitate the development of a PPP study. The local Federal Courthouse Task Force is composed of representatives from Broward County, the City of Fort Lauderdale, and the U.S. District Court for the Southern District of Florida.

The purpose of the study was to help the Task Force evaluate the feasibility of meeting the needs of the Court through a PPP as an alternative to traditional funding and delivery methods employed by GSA. The alternative delivery options evaluated as part of the study were: (1) traditional GSA Design Bid-Build construction; (2) Tax-Exempt PPP structures; (3) Design-Build Finance-Maintain Availability Payment (DBFM AP); and (4) Design-Build-Finance-Maintain Develop/Lease-Back (DBFM Develop/Lease-Back).

In their study, KPMG concluded that the DBFM AP and the DBFM Develop/Lease-Back models could provide the best value to the Government to achieve its goal of delivering a cost-effective courthouse. KPMG believes that the DBFM AP and DBFM Develop/Lease-
Back models could accelerate project delivery, allow for the transfer of whole-life project risks and responsibilities, provide for a single point of project accountability, and potentially provide a lower total cost of ownership.

Leases are subject to OMB Circular A-11, which guides the determination of operating versus capital transactions. Both the DBFM AP and DBFM Develop/Lease-back transaction structures would result in capital treatment for the Government. A capital transaction would require GSA to have sufficient budget authority to fund the present value of net payments over the entire term, including taxes, in the first year, making the budgetary impact of this alternative very similar to that of new Federal construction. GSA currently does not have sufficient budget authority to cover this payment and meet its other contractual obligations in one year.

Further, if GSA were to receive the budget authority required for this alternative, Federal construction would be a better, lower cost option to meet a long-term need for the Court.

**STATUS QUO**

Recognizing that the judiciary’s Courthouse Project Priorities (CPP) list does not include a courthouse project in Ft. Lauderdale, FL, a status quo scenario has been included. This scenario accounts for the possibility that the Courts remain in the existing Courthouse for the mid-term, until such time that a courthouse project is included on the judiciary’s CPP list and a long-term housing solution is in place. This scenario includes the cost of correcting water intrusion issues resulting from planters on the building’s plaza level, and the cost of other repair work necessary for the Courts to remain in the building for the mid-term.

**POTENTIAL SITES AND COST**

There are no existing available sites within the downtown/CBD area that can accommodate a new construction courthouse and that will meet the size and parking requirements of the Court. Should a site be required to meet the needs of the Court in Fort Lauderdale, a full site acquisition process would be required to determine the availability of properties in the market area that could potentially be acquired and demolished to create a viable site for future construction. This process would not begin until after the project has been included in the President’s Budget for congressional consideration. Project funding would be required to complete land acquisition. Based on a survey of existing land values in the Fort Lauderdale CBD, the current average site value is approximately $2 million per acre.
ALTERNATIVES RECOMMENDED FOR FURTHER CONSIDERATION

Based on the aforementioned information contained within this Report, the purchase, exchange, and public-private partnerships alternatives are not considered to be viable and will not be analyzed further. Preferred alternatives for further consideration include Repair and Alteration with New Annex, New Construction, Lease, Lease with Option to Purchase, and Status Quo.

30-year, Present Value Cost of Preferred Alternatives

The net present value comparisons of the preferred alternatives are as follows:

- Status Quo: ................................................................. $139,915,000
- R&A w/ New Construction Annex: .............................. $228,606,000
- New Construction: ................................................. $212,259,000
- Lease: ......................................................................... $279,793,000
- Lease w/ Purchase Option: ........................................ $261,178,000

A new courthouse in Fort Lauderdale is not on the judiciary’s Courthouse Project Priority list. Therefore, the status quo housing solution for judiciary will remain, aside from the ongoing GSA work to mitigate water intrusion at the existing Courthouse. GSA will continue to mitigate any issues that may arise. At this time, no issues have been identified that would prohibit continued occupancy.

As requested by the Committee, GSA investigated various housing alternatives for the judiciary in Fort Lauderdale. The 30-year, present-value cost of constructing a new federally owned courthouse and maintaining leased office space is $16,347,000 less than the cost of renovating the existing Courthouse and constructing a new annex, or an equivalent annual cost advantage of $888,813. The 30-year, present value cost of constructing a new federally owned courthouse is $67,534,000 less than the cost of leasing a new Court facility and $48,919,000 less than the cost of leasing a new Courthouse facility with an option to purchase, or equivalent annual cost advantages of $3,671,947 and $2,659,782 respectively.
REPORT OF BUILDING PROJECT SURVEY
U.S. COURTHOUSE AND FEDERAL BUILDING
FORT LAUDERDALE, FL

Report Number: 22
Congressional District: 22

Certification of Need
The proposed new construction project is the best solution to meet a Government need.

Submitted at Washington, DC, on MAY 20 2016

Recommended
Commissioner, Public Buildings Service

Approved: Administrator, General Services Administration